

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

August 28, 2009

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Kauai

Forfeiture of Revocable Permit No. S-5274, Michael R. Salling, Permittee, Kapaa Town  
Lots, Kawaihau (Puna), Kauai, Tax Map Key: (4) 4-5-09:10.

PURPOSE:

Forfeiture of Revocable Permit No. S-5274, Michael R. Salling, Permittee.

LEGAL REFERENCE:

Section 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kapaa, Lot 6, Block I, situated at Kapaa, Kawaihau  
(Puna), Kauai, identified by Tax Map Key: (4) 4-5-09:10, as shown on the attached map  
labeled Exhibit A.

AREA:

.156 acres, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHARACTER OF USE:

Landscaping purposes.

COMMENCEMENT DATE OF PERMIT:

Commenced on September 1, 1976.

MONTHLY RENTAL:

\$13.00.

REMARKS:

Pursuant to the provisions contained in Revocable Permit No. S-5274, Michael R. Salling, Permittee, was mailed a default notification letter dated October 30, 2008 for:

- Failure to keep lease rental payments current
- Failure to post required security deposit
- Failure to post required fire insurance policy
- Failure to post required liability insurance policy

This notice offered the Permittee a thirty-day cure period to correct the default. This cure period expired on November 30, 2008. As of July 15, 2009, this breach has not been cured.

As of June 30, 2009, the current status of all permit compliance items is as follows:

RENT: The Permittee is current with all rent obligations.

INSURANCE: The Permittee has not posted the required liability insurance policy.

SECURITY DEPOSIT:

The Permittee has posted the required security deposit.

In the past two years, the Permittee was mailed default notifications letters dated March 29, 2007, September 10, 2008 and September 22, 2008 for not posting the required liability insurance policy. No action was taken.

The Land Board at its meeting of October 24, 2008, under agenda Item D-1, did not renew Revocable Permit No. S-5274 for another year (January 1 to December 31, 2009).

There is an Applicant interested in the renting the State property. Staff is preparing a Board

submittal for the public auction of a long-term lease and issuance of a month-to-month revocable permit.

RECOMMENDATION: That the Board:

1. Authorize the cancellation of Revocable Permit No. S-5274 in the manner specified by law;
2. Authorize the retention of all sums heretofore paid or pledged under Revocable Permit No. S-5274 to be applied to any past due amounts;
3. Terminate the permit and all rights of Permittee and all obligations of the Permitter effective as of August 28, 2009, provided that any and all obligations of the Permittee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that Permitter reserves all other rights and claims allowed by law; and
4. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under Revocable Permit No. S-5274 and to pursue all other rights and remedies as appropriate.

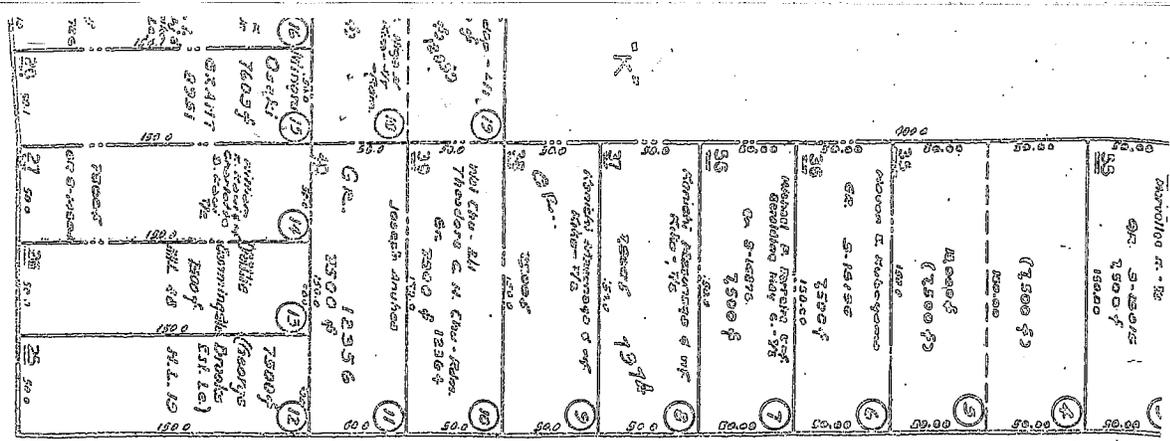
Respectfully Submitted,



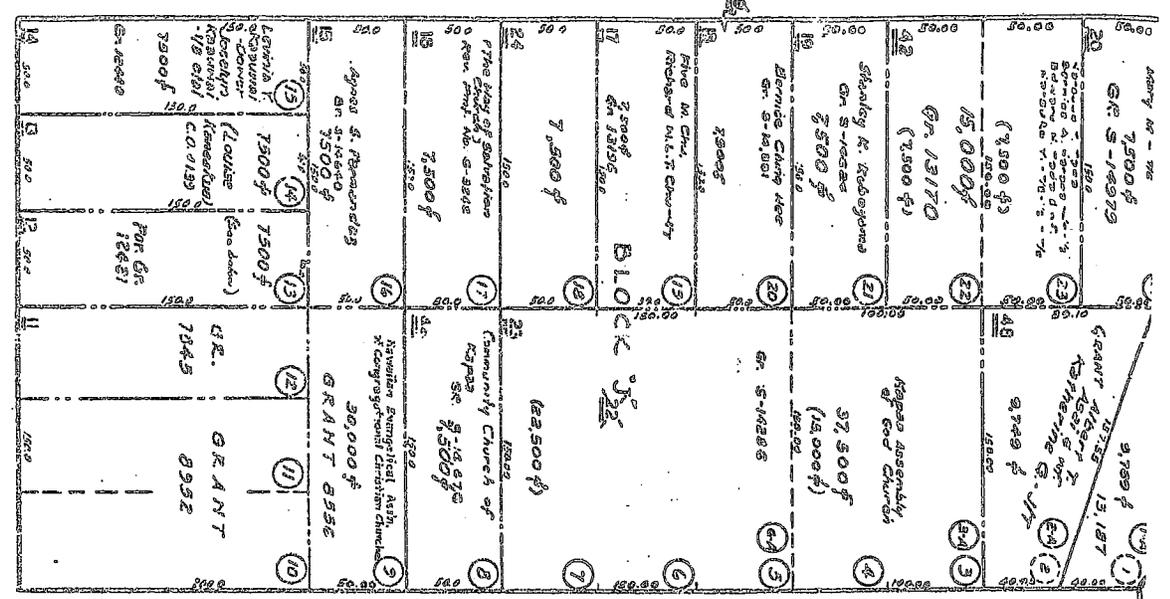
Marvin Mikasa  
Land Agent

APPROVED FOR SUBMITTAL:

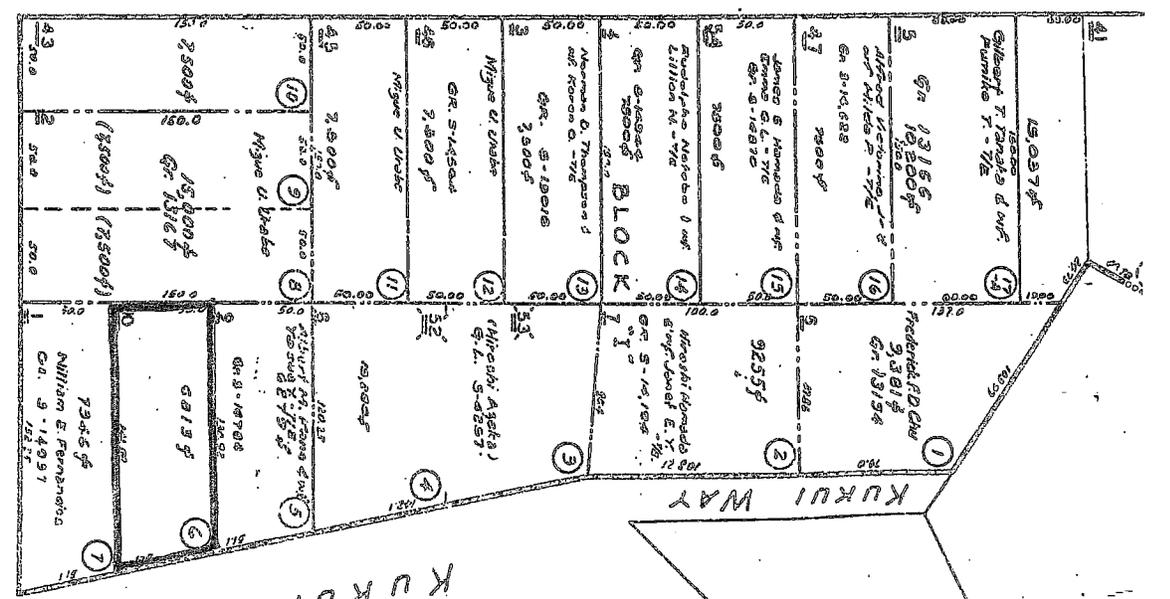
  
Laura H. Thielen, Chairperson  

MAMAHE STREET



KOA STREET



KUKUI WAY

KUKUI STREET

PLAT 08

STREET

PLAT 10

Division of Public Works  
 Honolulu, Hawaii

Parcels Dropped:  
 67, 68, 69, 70, 71, 72

Notes: All lots owned by State of Hawaii;  
 unless otherwise noted.  
 SUBJECT TO CHANGE

TERRITORY OF HAWAII			
TAX MAP			
4	5	09	
CONTAINING PARCELS			
SCALE: 1 in. = 50 ft.			

EXHIBIT A